

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

November 2005

DATA SYSTEMS AND ANALYSIS

Maryland Trauma Physician Services Fund

Audit Contract Awarded

An evaluation committee consisting of representatives from the MHCC and HSCRC recommended that the Department of Budget and Management award Clifton Gunderson a contract to provide auditing support to the Maryland Trauma Physician Services Fund. The Department of Budget and Management issued an award letter to Clifton Gunderson in late October to work under the contract starting in early November.

Staff completed a post-payment review of uncompensated care applications processed for payment during the July reporting period. The Maryland Institute of Emergency Medical Services System (MIEMSS) physician roster was used to validate physician eligibility in the Fund and the MIEMSS Trauma Registry (Registry) was used by staff to verify patients listed on the uncompensated care applications are included on the Registry. Staff identified 15 patients out of 2,746 that were not listed on the Registry. Staff notified 8 practices that adjustments will occur during the first application cycle in 2006.

Outreach Efforts

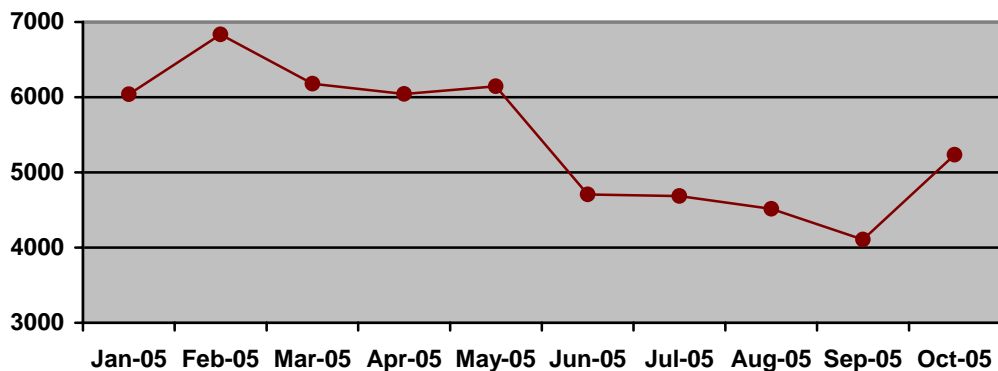
Staff plans to review physician participation and patient eligibility during the two regional education/update programs scheduled around the state in late November and December. Staff wrote an article on the Fund that will appear in the newsletter of the Maryland chapter of the American College of Emergency Physicians (ACEP). The article described the eligibility criteria, application process, and the payment levels for covered services.

Data Base and Application Development

Use of Consumer Sites Climbs in October

The Commission's website had 12,143 visits during October. About 43 percent of the visits (5,200) were to the consumer quality and utilization sites for HMOs, hospitals, nursing homes, and ambulatory surgery centers. Total visits to the quality sites were up by nearly 1,000 visits. Visits to the HMO quality site nearly doubled in October. MHCC updated the HMO site with new information in early October. The hospital site saw a jump of almost 10 percent in utilization. Use of the nursing home and assisted living sites was similar to September levels. The month-to-month trend in use of consumer sites is shown in Figure 1 (total= visits to HMO, assisting living, nursing home, and ambulatory surgery sites).

Figure 1 -- Use of MHCC Consumer Sites: HMO, Hospital, Nursing Home, Assisted Living, and Ambulatory Surgery



Web-based License Renewal Initiative

Over \$4 Million in Renewal Fees Collected at MHCC-Developed Site

Almost 75 percent of Maryland physicians have renewed their license via the MHCC developed renewal web-site as of November 14, 2005. This is the first year that the Maryland Board of Physicians has mandated use of on-line renewal of the physician license. Although 2,900 physicians have not logged, MHCC expects that about 2,000 of these physicians will not renew their licenses due to retirement, death, or departure from the state. Figure 2 summaries activity to date. Of the \$4.4 million in fees collected, about \$3.5 million was paid by credit card.

Figure 2 - License Renewal Tracking Panel

Tracking	Today	Yesterday	Total	%
No Records			11533	
Not Logged On			2900	25 %
Logged On and Working	0	0	186	2 %
Completed	1	1	8447	73 %
Financial	Today	Yesterday	Total	%
Total Fees Collected (Credit Card, Elect. Checks, Checks sent and 3rd party Checks)	\$613	\$613	\$4,350,298	
Credit Card	\$613 1	\$613 1	\$3,521,229 6833	81 %
Electronic Check	0 0	0 0	\$18,981 37	0 %
Mail Check	0 0	0 0	\$534,307 1040	12 %

Prescription Drug Information Available At MHCC.MARYLAND.GOV

Staff added a prescription drug link on the MHCC home page that directs consumers to useful information regarding prescription drugs prices and insurance coverage including the Attorney General's site on prescription prices, a drug pricing web site comparing mail-order prices, and the Medicare site for Part D coverage information.

2004 Maryland Long-Term Care Survey

Staff completed the editing of the survey during November. The survey is now available for internal and external use. The survey data will be used to update the Nursing Home Quality Reporting System in December. MHCC will release information on adult day care centers to their associations. Staff will update the assisted living facility Internet application that provides information on characteristics of site and utilization profiles to consumers.

Cost and Quality Analysis

State Health Care Expenditures will total nearly \$30 Billion

Staff will release the 2004 State Health Care Expenditures Report in January. Preliminary estimates from the project show that total health care spending growth slowed in 2004 compared to 2003. Health care spending will total nearly \$30 billion in 2004. Private and public spending will show growth rates in the range of 7 to 8 percent. Among public payers, Medicare spending grew more rapidly than Medicaid — foreboding major increases that will begin in 2006 with the start of Medicare Part D. On the private side, out-of-pocket spending increased slightly faster than third party payments. Out-of-pocket payments include payments made by the uninsured and payments by the insured for co-payments, deductibles, and uncovered services. Spending on physician and hospital services grew in the 6 to 8 percent range, however prescription drugs resumed double digit growth rates in 2004. Recent national estimates developed by CMS and the Center for Health System Change have reported slower spending in 2004 and Maryland results will be generally consistent with those results.

MEPS Insurance Report

Staff will present results from the report, Medical Expenditure Survey Insurance Component: the Maryland Sample at the November Commission meeting. A draft copy of the report is enclosed.

Morbid Obesity Task Force

Senate Bill 363 passed in the 2005 session of the Maryland Legislature makes the MHCC and the Maryland Insurance Administration responsible for staffing the Morbid Obesity Task Force. The Task Force's primary charge was to recommend a set of guidelines that are appropriate for the utilization review of the surgical treatment of morbid obesity, and reasonable procedures for documenting patient compliance with the guidelines. A report was issued in December 2004 fully detailing the Task Force's recommendations. The MIA has circulated draft regulations to the Task Force members for informal comment. After the informal comment period, MIA will formally promulgate the proposed regulations. The law (SB 363) continues the Task Force through December 2006. MHCC and the MIA have recommended that the Task Force take no further action until the regulations become effective in the spring of 2006.

EDI Programs and Payer Compliance

New EDI Initiatives Underway

Interest in new EDI initiatives remains high, especially among hospitals. The Maryland Hospital Association Transaction Standards Committee (TSC) has convened to examine how various cooperative endeavors could be organized and launched. MHCC staff assisted the TSC by organizing a meeting with leading EHNs willing to participate in bulk purchasing and single

source vendor contracting. The TSC is interested in learning more about what broad services EHNs can offer Maryland hospitals. A roundtable discussion with representatives from three EHNs was held in early November. The TSC intends to issue a report on EHN opportunities to the Maryland Hospital Association Finance Committee later in the month. The group also discussed obtaining HSCRC financing to support expanded administrative transactions.

The MHCC also provided support to the Maryland Hospital Association Transition Consulting Team (Team) to facilitate a smooth transition of Medicare Part A from CareFirst to Highmark Medicare Services. Over the last several months, staff has provided the Team with information as it relates to HIPAA's administrative transactions and MHCC certified electronic health networks.

Staff spoke with several representatives from the EDI/HIPAA Workgroup regarding developing programs aimed at increasing provider awareness of the non-claim HIPAA administrative transactions. The vendors and the practices are not as familiar with the non-claim administrative transactions. Staff plans to meet with the EDI/HIPAA Workgroup in December to discuss developing resource tools for bolstering awareness of all the transaction standards.

EHN Certification

MHCC currently has 7 networks in candidacy status and 19 certified networks. MHCC certification is valid for a two year period. Each month staff continues to receive inquiries from EHNs interested in exploring the Maryland market.

E-Scripting Initiative

Last month staff worked with EHNAC to complete the remaining activities relating to the MHCC and EHNAC E-Scripting Certification Criteria. Staff has been providing consultative support to SureScripts and RxHub as it relates to the e-script accreditation program. These two networks are expected to complete an application for accreditation in the fourth quarter of this year.

Technology Initiatives

Staff from the MHCC and HSCRC is in the early stages of exploring various possibilities for a Regional Health Information Organization (RHIO) in Maryland. Last month staff began development of a draft request for proposals (RFP) to assist in the development, deployment, and operation of a regional health information organization (RHIO). MHCC in partnership with the HSCRC will obtain proposals from the vendor community to develop a plan that could be used to integrate clinical information from disparate sources through a clinical data sharing utility.

During the month staff worked with the Department of Mental Health and Hygiene (DHMH) Office of Executive Nominations and the Governor's Appointment Office to review nominees recommended by MHCC to serve on the *Task Force to Study Electronic Health Records* (SB251). The task force is required to study electronic health records and the current and potential expansion of electronic health record utilization in the state. Staff also expects the task force to function broadly in an advisory role in the development of a Maryland RHIO. Staff provided two recommendations for each of the 17 categories identified for nomination by the Governor. The task force calls for 26 participants with 9 nominations by specific organizations.

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

Commission staff has concluded a series of town meetings throughout Maryland to hear testimony on both the short term and the long term options for small group reform. At the November meeting, the Commission will examine several options regarding the short term options for small group reform. If changes are made to the Plan, the regulatory process will commence by the end of the year so that any changes to the CSHBP can be implemented effective July 1, 2006.

Facility Quality and Performance

Web Site Guides:

Hospital Performance

Revisions and enhancements of the current web site that is available for public viewing continue. The most recent content additional was the presentation of OB data which became publicly accessible in May (05). These changes reflect the recommendations of the Steering Committee as well as those contained in reports from external evaluators (i.e., Lewin and Techwrite). Additional changes to the scope, content, ease of use, and relevance of the web site are in process (especially in the areas of hospital infections, patient safety and patient satisfaction) as the site continues to evolve and based upon the feedback of various constituencies. Currently, this site is being revised and maintained by an outside contractor (Delmarva Foundation) working in collaboration with the MHCC.

A second site, currently accessible only to hospitals, has been activated as part of Maryland hospital's efforts to improve infection rates. Information regarding the use of antibiotics associated with 3 specific surgeries (hip, knee, and colon) is being reported by all state hospitals and collected by the contractor. During its pilot stage, access to this information is currently limited to the submitting hospital, the contractor and MHCC. While collection and reporting of this data is mandatory, hospitals are encouraged to voluntarily submit infection data for hysterectomies, coronary artery bypass grafts, and other cardiac surgeries. This information will be evaluated by staff in concert with Delmarva and is anticipated to be available for public review in 2006.

Nursing Home Performance

With the cooperation of Maryland's nursing homes, key resident information was submitted to MHCC's contractor (Market Decisions) in August of 2005. As a result, a family satisfaction survey tool which was recently finalized was mailed to the designated representative of each resident's family for completion. An initial mailing of approximately 20,000 was conducted in September. More than 8,700 surveys were returned and classified as acceptable for analysis. A subsequent mailing of 12,000 surveys (to 1st mailing non-responders) was conducted in late October. Composite data of the results of this pilot survey are scheduled to be available in a report from the contractor in February 2006.

HMO Quality and Performance

8th Annual Policy Issues Report (2004 Report Series) –
Released January 2005; distribution continues until January 2006

Maryland Commercial HMOs & POS Plans: Policy Issues (900 printed)	609	Visitor Sessions: 672
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Distribution of 2005 HMO Publications (2005 Report Series)

Cumulative distribution: Publications released 10/6/05	10/6/05—10/31/05	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (25,000 printed)	16,983	Visitor sessions = 346
2005 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	500	Visitor sessions = 240

Distribution of Publications

Distribution of the *2005 Consumer Guide* continued steadily throughout the month of October. Approximately one-third of the YTD distribution, 5,400 copies of this report, occurred during the last two weeks of the month. The bulk of this distribution was to HMO plans, legislators, and both four-year and community colleges. HMOs distribute the *Guides* to current and prospective members. Legislators are provided a supply for constituents who call their representatives and inquire about this publication. Colleges assist in the distribution of the *Guide* by displaying this publication along with other informational material.

The bulk of the shipments of the *Comprehensive Report* took place during the last half of the October. Approximately 200 copies were shipped to public and college libraries for deposit in their reference sections. Nearly 200 copies were shipped to state legislators for them to use as a potential resource in policy-making.

HEDIS Audit Activities and Consumer Assessment of Health Plan Study (CAHPS Survey)

HealthcareData.com (HDC), Commission contractor for HEDIS audit services, has initiated the 2006 audit process. Auditor staffing assignments were revised for 2006 with the placement of a new lead auditor and new assistant auditor. The new employees will bring staffing levels to the required minimum. During the 2005 post-audit debriefing, Commission staff requested that several HDC staff be replaced based on evaluations of their performance. With staffing set, all plan site visits have been scheduled for the coming audit period.

Division staff has worked with both HDC and The Myers Group (CAHPS survey contractor) in developing the timeline, key dates, and general schedule for 2006 audit and survey administration. Planning meetings with these vendors have included schedule development, review and modification of communication strategies, and updating materials. All information will become available to plans at the December 7 kick-off meeting.

The HMO Quality and Performance Division gave higher focus to automating audit functions when developing the RFP currently in effect for HEDIS services. Specifically, contract requirements stipulate the use of *test decks* which reduce, if not eliminate, the need for manual review of programming code. Historically, audit staff has validated the reliability and completeness of programming code developed by a plan by examining original programming code. All Maryland plans reporting to the Commission will be required to undergo this validation method for two measures in 2006. In preparation, plans had the opportunity to practice with a mock version of the automated tool during recent months. Several plans elected to take the opportunity to fully assess their programming needs and capacity to effectively use the tool. Both NCQA and HDC provided technical support. All plans have now received the “live” test deck for one measure. To date, MAMSI and CIGNA have completed certification for the measure and had no deficiencies.

CIGNA HealthCare Mid-Atlantic, Inc. has consolidated networks and memberships with CIGNA HealthCare of Virginia, Inc. to streamline business operations. The company will continue to do business under the Mid-Atlantic name.

Report Development—2005 Report Series

Work on the *Policy Issues* report began with NCQA shortly after the release of the *Consumer Guide*. This report is designed for the General Assembly and is scheduled to be completed and released around mid-January as legislators convene for the 2006 session. This report has become increasingly condensed each year to target the topics and data most relevant to health policy in Maryland. To produce a report more efficacious to legislators, staff has discussed topics with NCQA that have current policy implications and identified some areas most adaptable to reduction. The graphic design sub-contractor to NCQA has submitted several layouts for the cover. Staff is currently reviewing the first draft and received a second round of design comparables. The project is on track for completion in December.

Special Project

Division staff was tasked with performing research to determine the extent agencies similar to the Commission exist in other states. If a state had not established a single, but comparable, organization to oversee programs related to performance reporting, certificate of need, and collection of ambulatory medical services data (medical care database), staff pursued whether or not such programs resided separately among several agencies within a state. This in-depth examination has resulted in a report on the inventory of programs by state. The report reflects a substantial investment of labor hours dedicated to research. The Maryland Health Care Commission stands uniquely alone as regulatory agency responsible for market-receptive activities. Commissioners will receive a draft copy of the report for their comments and feedback about further development into a public report.

Proposed HMO Performance Reporting Requirements 2006 & 2007

Division staff prepared a report on recommended reporting requirements for the next two calendar years for consideration by Commissioners at the November public meeting. Recommendations will be adjusted based upon the advice and guidance of the Commission. Once approved, the recommendations will be posted on the website for public comment. Commissioners will take final action at the December meeting.

HEALTH RESOURCES

Certificate of Need

Division staff issued fourteen determinations of non-coverage by Certificate of Need (CON) review during October.

Genesis Health Care of Baltimore County received a determination of non-coverage for its acquisition of the remaining 21 temporarily delicensed comprehensive care facility (CCF) beds from Armacost Nursing Home. In addition, the following offices of the Centers for Pain Management received determinations of non-coverage by CON review for their acquisition by PainCare Surgery Centers III: the Greenspring Avenue, Baltimore facility in Baltimore County; the Hagerstown facility in Washington County; the Glen Burnie facility in Anne Arundel County; and the Rockville facility in Montgomery County.

Determinations of non-coverage by CON review were also issued to Ambiance Surgery Center, LLC in Prince George's County to establish an ambulatory surgery center (ASC) with two non-sterile procedure rooms in Bowie; to Silver Spring Podiatry Center in Montgomery County to establish an ASC with one non-sterile procedure room in Wheaton; to the Maryland Center for Digestive Health, LLC in Anne Arundel County to establish an ASC with six non-sterile procedure rooms in Annapolis; to Greenspring Surgery Center of Baltimore County to establish an ASC with one operating room and two non-sterile procedure rooms; and to James Vogel Ambulatory Surgical Center (also of Baltimore County) to establish an ASC with one operating room and one non-sterile procedure room.

The Baltimore Spine Center (Baltimore County) received a determination of noncoverage by CON review for a change in its ownership share and for adding orthopaedic, plastic, pain management, and anesthesia procedures to the neurosurgical procedures it currently provides.

The following facilities received determinations of non-coverage for requests to change licensed bed capacity: Devlin Manor of Allegany County for the relicensure of ten CCF beds; Caton Manor of Baltimore City for the temporary delicensure of eighteen CCF beds and College View Manor of Frederick for the temporary delicensure of eighteen CCF beds.

Staff also issued a pre-licensure certification of ManorCare – Woodbridge Valley for the opening of the final section of a 110-bed comprehensive care facility to be located at Rolling Road in Baltimore County.

The Certificate of Need Task Force, chaired by Commissioner Robert E. Nicolay, held their final meeting on October 27, 2005. The final report and recommendations of the Task Force will be presented at the November 22, 2005 Commission meeting and released for public comment.

On October 19, 2005, the Commission approved the settlement of the Petition for Declaratory Ruling filed by Dimensions Healthcare System (“Dimensions”) in a way that will resolve the status of the 1974 Certification of Conformance awarded to Dimensions’ predecessor for a 176-bed hospital at Bowie, Maryland to be known as the Bowie Health Center (“Bowie”). As a result of the settlement, Dimensions has dismissed its pending Petition for Declaratory Ruling. Dimensions and the Commission have agreed that, on or about January 20, 2006, Dimensions will file a request for a modification of the Bowie Hospital CON under the 1976 health planning regulations that apply to this project. The requested modification will downsize the hospital from 176 beds to 100 beds, with approximately 60% of the beds for the new Bowie hospital to be sought from the bed need projected for Prince George’s County by the Acute Inpatient Services Chapter of the State Health Plan, and 40% of the beds to be reallocated from the existing bed capacity at Prince George’s Hospital Center. Commission staff will review the request for modification filed by Dimensions. Following the staff’s written analysis, the full Commission will review and act upon the modification request. The modified project, if approved, will be subject to the Commission’s current regulations and will be held to the performance requirements in the current regulations. If Dimensions fails to satisfy the performance requirements applicable to the modified Bowie hospital project, Dimensions will not contest proceeding to withdraw the Modified Certificate of Need.

Acute and Ambulatory Care Services

At the November 22, 2005 meeting, the Commission will consider proposed permanent regulations designed to delete obsolete review standards, remove outdated background material, and make technical corrections to the Acute Inpatient Services Chapter of the State Health Plan. Supplement 5 to COMAR 10.24.10 is the initial phase of a comprehensive update of this State Health Plan chapter. A comprehensive update of the acute care services section of the State Health Plan, including updated projections of bed need, will be considered by the Commission in early 2006.

As part of the background work for the update of the Acute Inpatient Services Chapter of the State Health Plan, Staff attended a conference sponsored by the Healthcare Design Magazine and The Center for Health Design, November 6-9, 2005. The conference was attended by over 1,600 architects, designers, hospital representatives and others from across the U.S. and from many other countries. Of particular interest were the many sessions on developments in evidence-based design.

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital’s Certificate of Need. The purpose of these reports is to advise the Commission regarding any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs, and financing mechanisms. The hospital’s November 2005 update reports no changes to the project cost, the design, or the financing of this project. The final renovations have been completed. The last phase of the project, the addition of a new front to the hospital, is underway, and scheduled for completion this month.

Long Term Care and Mental Health Services

Division staff has completed the development of two publications relating to home health agency services. The *Maryland Home Health Agency Statistical Profiles* for fiscal years 2002 and 2003 are a compilation of data on the utilization and financing of home health agency services in Maryland. The data provided in these publications are obtained from the Commission's Home Health Agency Annual Report for fiscal years 2002 and 2003. The Annual Report collects information on overall agency operations and the demographic characteristics, payment sources, and services provided to Maryland clients by their jurisdiction of residence.

These *Maryland Home Health Agency Statistical Profiles* will be released at the November Commission meeting. Division staff have also developed a one-page statistical brief on Maryland's home health agency industry, which highlights some of the significant utilization patterns for 2002 and 2003. Subsequent to the Commission meeting, copies of the reports will be mailed to all home health agencies in Maryland as well as to the Maryland National Capital Homecare Association (MNCHA), the Department of Health and Mental Hygiene, including the Office of Health Care Quality and the Medical Assistance Program, the local health departments, and hospital discharge planners. These reports will be available on the Commission's website at www.mhcc.maryland.gov.

A report entitled *An Analysis of Future Need for Nursing Home Beds in Maryland: 2010* will be released at the November Commission meeting. This report represents an initial step in updating the nursing home component of the *State Health Plan for Facilities and Services: Long Term Care Services*, COMAR 10.24.08. The report is intended to assist the Commission in the process of updating this chapter of the State Health Plan by: (1) providing background information on nursing home services in Maryland; (2) identifying key issues involved in projecting future need for nursing home beds; (3) examining the impact of alternative policy assumptions on future need for nursing home bed need; and (4) providing a framework for the Commission to obtain public comments on key policy issues prior to updating the State Health Plan. Copies of this report will be mailed to all nursing homes, all hospitals, the Health Facilities Association of Maryland, Lifespan, the Maryland Hospital Association, the local health departments, and the Department of Health and Mental Hygiene, including the Office of Health Care Quality and the Medicaid Program. Comments on this report will be due to the Commission no later than January 9, 2006. The report will be available on the Commission's website at www.mhcc.maryland.gov.

Specialized Health Care Services

On August 30, 2005, the investigators proposing research to compare the outcomes of non-primary angioplasty at hospitals with and without on-site cardiac surgery requested that their proposal be withdrawn from consideration by the Commission. At that time, the investigators also notified the Commission of their intention to submit a new proposal. Staff expects to receive a new proposal in November 2005.

COMAR 10.24.17 requires any Maryland hospital wishing to begin or continue providing primary PCI services without on-site cardiac surgery to submit an application for a waiver. On October 28, 2005, the Commission published the schedule for submitting an application to request a primary PCI waiver in the *Maryland Register*. The schedule is also available at <http://mhcc.maryland.gov/statehealthplan/regnotice102005.pdf>. Additionally, the Commission's staff mailed the schedule and application to the chief executive officers of the hospitals that are currently participating in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) Primary PCI Registry and providing primary PCI services under the extended research

waiver. The Commission will review applications according to the published schedule, beginning with applications submitted by the C-PORT hospitals. Those hospitals will transition from the C-PORT registry to the Commission's waiver registry in January 2006.